

REFLECTIONS

ON A

BOOK

Published by Mr. AMMONET,

ENTITLED

The Key of Knowledge for all Merchants, &c.



By J. G.

A Well-Wisher to all the Lovers and Practicers of the
true Art and Method of Book-keeping.

DUBLIN,

Printed and Sold by Matthew Gunn, at his Shop at the
Bible and Crown at Essex-street-gate. 1696.

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BOOK

THE AMERICAN

ENTERTAINMENT

AND THE AMERICAN

BY J. C.

THE AMERICAN ENTERTAINMENT

DUBLIN

Printed by J. C. ...

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To the Merchant Traders of the City of Dublin.

Gentlemen,

AS chance put this Pamphlet into my hands, so its Title, and my own Curiosity engaged me to a perusal of it; and my duty to Truth, and the Publick, to discover and correct those gross mistakes, which, to my disappointment, and wonder, I found in it. I have ever been careful to defend my self from the Press, but the necessity of asserting the Art of Book-keeping, and the deserved Reputation of our Merchants from the the injuries of his Ignorance, which betrays both to the censure of all knowing persons, into whose hands his Pamphlet may fall, may be look'd upon as sufficient to justify my present undertaking.

What would people imagine Book-keeping to be, if nothing else than what he represents; and what opinion would the world conceive of the qualifications of our Merchants in *Dublin*, and their knowledge how to methodize their business, if they by their silence approved of this Pamphlet. I'll do them that justice (tho to the discredit of any single Author) to acquaint all, that when he shew'd them his Book in writing, they told him (as I am informed) they were only sensible by it, he understood no true method of Book-keeping.

It might have been presumed that none would have appeared in Print upon this subject, unless capable of offering something new and extraordinary; that Art being generally accounted to have received it's last perfection, especially in *Holland*: But on the contrary, instead of presenting the world (as he would insinuate) with a new and shorter method; he appears not only ignorant of Factorage and Company Accounts, but of Proper Accounts also; and is so far from being capable of teaching how to give the true title of Debtor and Creditor, that he himself can't distinguish between a true and false stating in proper Accounts: nor what those Accounts are, or how practised in Book-keeping; what their nature and use are, or even their very names, or proper titles, (being ignorant of the *Vocabula artis*.) All this I shall demonstrate in several particulars, not only obvious to those that understand Book-keeping, but to all men of reason and common sense.

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To the Merchant Traders of the City of Dublin.

What few Instructions he has on proper Accounts, are only how to state Bills of Exchange, wherein he shews his ignorance, not giving one direction concerning those things that daily occur in dealing.

As for his two forms of Company and Factorage Accounts, they contain many superfluous and improper statings; and he does not so fully prosecute any one of them (such as they are) so far as to instruct any that may have occasion to practice such Accounts, to bring them to a close: so little does he provide for the riddance of those variety of cases which generally occur in common busiaess.

How disingenuous then is that haughty title page of his Book, and his Table in *Essex-street*, wherein he boasts of being able to teach according to the *Italian, Dutch, and French method*. As to the *Dutch method*, that is the form I learned of Mr. *Spencer*, one bred in *Holland*, and Practiser in this Art 20 years: and the Merchants of *Italy* and *France* are too judicious to patronize such Ignorance, or digest their Accounts according to those rude unsatisfying Instructions, he rather cumpers than assists the Art of Book-keeping with. He says he teaches pursuant to his own practice of above 40 years experience. I leave it to the world to judge of his qualifications, and to determine what a Proficient he is after so long a time in the Art of Book-keeping, when he is yet to learn how to distinguish between a proper and false stating in proper Accounts: it's evident he neither understands Merchants business, or Book-keeping.

Now after all this, I sincerely declare, I have no prejudice against Mr. *Ammonet*, but do this from a principle of love to the City, that Gentlemen may not longer be abused, and not only lose their money, but their Childrens Education: it being evident, he himself was never instructed in the very Rudiments of Book-keeping, and has no true method. I recommend to his consideration the saying of *Seneca*,

Nemo sibi tantum errat, sed aliis erroris causa & autor est.

I shall not detain you further, but recommend you to my Reflections; which, please to accept as an evidence of my zeal and forwardness to serve you; being, Gentlemen,

Your most Humble Servant,

J. A. GIBBON.

Reflections on a Book, Entituled, The Key of Knowledge for all Merchants, &c.

I Shall not here play the Critick, only make some few observations and modest reflections upon those Instructions or Rules that discover this Author's Ignorance, how to give the true title of Debtor and Creditor out of the Waste-Book, or Memorial, into the Journal in Double Partie. Others of them, (tho I could reflect upon them) yet shall pass silently over. My method shall be to Quote the Instruction or Rule I am to reflect upon, then give you my Observations and Reflections upon the same. Passing over his first and second Instructions, I shall begin with the third, *Viz.*

3d. Instruction, *All charges paid for your account, as House expence ordinary and extraordinary, Postage of Letters, &c. he says, ought to be gathered weekly or monthly into one Article, making profits and losses account Debtor to Cash for the money laid out during the said time.*

Reflection; Please to consider this Instruction a little, as to house expence, and what concerns it may be entred weekly or monthly in one Article, making profits and losses account (or as some account of house-hold expences) Debtor to Cash for the same: but this Author is for charging in one Article the whole expence you are at for your proper concerns weekly or monthly, which will comprehend charges of Merchandize exported and Imported; so that following this method, a Merchant cannot know what he gains or loses by particular Commodities or Cargoes in Trading; the knowledge of which is a great satisfaction to the party concerned. Some Merchants are so curious in this, that they form an account of charges of Merchandize, and so not only know what they expend upon particular Commodities and Voyages, but what they expend during the whole year for all charges of Goods Exported and Imported.

I might add, that charges of Merchandize cannot properly be called loss, for that only adds to, or increases the value or first cost of the Goods. Now profits and losses account ought to be stated Debtor for nothing but what is really loss, as what we pay for Interest, (for which, some form an account of Interest, reckoning) house expences, and postage of Letters for your proper account, &c. This they do according to that general Instruction in Book-keeping, viz. for all you gain, state profits and losses account Creditor; and for all you lose, make profits and losses account Debtor.

Then this Author proceeds to give some Instructions how to state Bills of Exchange drawn for our own or other mens accounts. My business being only to reflect on this Author's Instructions or Rules. I shall not here treat of the short method and forms of keeping accounts of forreign and in-land Exchanges, when persons have much dealing that way, (by which they may know at all times what they gain or lose); but shall proceed in reflecting upon what he hath on this subject.

9th Instruction. *Bill of Exchange drawn for your account, with loss; his Example. When you draw l. 100. for which Bill you receive but l. 95. In such case, he makes Cash Debtor to him on whom you draw for l. 100 and profits and losses account Debtor to Cash for l. 5. loss.*

Reflection: The aforesaid stating is false; for he makes Cash Debtor for l. 5 more than received, and Creditor for l. 5 which was never paid.

It's an uncontroverted principle amongst Merchants and Accountants, that Cash is never to be named but when Money is Received and paid; and that there is no more to be stated on the said account then what is really so. In his first and second Instructions, he acknowledgeth the same, that Cash is answerable for all that goeth therein, and ought to be Debtor for the same, and Creditor for what is paid; but here he forgets (or doth not understand) the said Instructions, but makes Cash Debtor for more then received, and Creditor for more then paid.

The true and proper way of stating in the foresaid case, is to make Cash Debtor to him on whom you draw for l. 95 received, and profits and losses account Debtor to him for the l. 5. loss; here are two Debtors and one Creditor.

10th Instruction; *Bills of Exchange drawn for other mens account with loss, his Example, you draw l. 100, for which bill you receive but l. 95; in such case he makes Cash Debtor to him on whom you draw, or to him that orders you to draw for l. 100 which is l. 5 more then received, and by another article, make such a one Debtor to Cash l. 5 for the loss made on the said Bill, and which was never paid.*

Reflection: Here he makes two false statings, and contradicts the general instruction and principle concerning Factorage Accounts, (*viz.*) That our principle or person whom we serve as Factor, is to have credit for no more then we receive of his effects, and to be made Debtor for no more then we pay for his account: Now here is only l. 95 received for my bill of l. 100 drawn for his account, and ought to be but one article or stating; but he makes two, and both false.

The proper way of stating in the-aforsaid case, is by one stating, to make Cash Debtor to him on whom you draw, or for whose account you draw l. 95 received for my bill on him of l. 100 in favour of such one.

11th Instruction; *Bills of Exchange remitted for your own account with profit: his Example; you remit l. 100 for which Bill you pay but l. 95 In such case he makes the person to whom you remit Debtor to Cash for l. 100 then he makes Cash Debtor to Profits and Losses account for l. 5*

Reflection; Here he makes Cash Creditor l. 5 more then paid, and Debtor for l. 5 never received; and so commits two false statings.

The proper way of stating in aforsaid case, is to make the person to whom you remit, or send the said bill, Debtor to Cash for l. 95 paid, for the said bill of l. 100 and to profit and losses account for l. 5 gained; here is one Debtor, and two Creditors.

12th Instruction; *Bills of Exchange remitted for other mens account with profit, his Example, you remit l. 100 at 5 per cent. for which bill you pay l. 95: In such case he makes debtor to Cash he to whom or by whose order you remit for l. 100 and in another article makes Cash Debtor to him to whom you remit, or by whose order you remit for the l. 5 profit.*

Reflection; Here he makes two statings, and both false, whereas there should be but one in such case.

The proper way of stating in aforesaid case, is by one stating to make the person for whose account you remit Debtor to Cash *£. 95* paid for bill of *£. 100* drawn by such a one on such a one, and sent him.

17th Instruction; *Bills of Exchange* remitted to you for your own account you must (he says) make Debtor be that accepts the bill to him that remits to you, or to him that causes to be remitted, if profit made by the said bill remitted, he that remits, or he that causes to be remitted must be made Debtor to profits and losses account for the said profit.

Reflection; To demonstrate the false statings of this Instruction, I shall supply him with an example, my correspondent or Factor at London remits me for my account by bill *£. 112* for which he paid only *£. 100* he makes the person who accepts the bill Debtor to my Factor or Correspondent for *£. 112* then he makes the Factor or Correspondent Debtor to profits and losses account *£. 12* here he makes two false statings, for he gives his Correspondent credit for what he never paid for his account, and makes him Debtor for what he never received, viz. *£. 12* the profit of the said bill.

19th Instruction; Passing over the first part of the said Instruction, as not worth the while to notice, I shall desire the reader to observe with me the latter part of the said Instruction (viz.) *If profit or loss be either for your account or for others, you must order it* (he says) *as in the aforesaid Articles.*

Reflection; I have demonstrated his method of stating in the said Articles to be false.

I come next to reflect upon his Instruction for Factorage accounts.

There are many forms used in keeping Factorage accounts, in Domestick and Foreign affairs, but that form which is shortest, being without false statings, is to be approved of.

It's not my business here to shew any of those curious forms practiced in *Holland* (and which I learned in this Country) with a Factor-Book or without a Factor-Book, but only to reflect on those simple and unusual forms used by this Author.

22th Instruction; *Goods received for another mans account* (he says) *you nor the said Goods are not made Debtor in your Journal, because that you are not answerable for them till you have received their value in your hand, only they are set in one Article as a Memorandum to have received*

received such Goods for such a man's account, referring the particulars to the Waste-Book or Factory Book by Commission, &c. Then he proceeds in the 23^d and 24th Instructions to sell the Goods received in Commission for ready money, and time.

Reflection; This 22th Instruction seems to be his general Rule or Instruction how to state Goods received in Commission; and in my reflections on his factorage accounts, I shall consider it as such; but observe, that neither in this, nor in the 23th and 24th Instructions, when he sells the Goods received in Commission, does he inform where, nor how, to state the charges expended upon the Goods at receiving them. I shall not insist upon the said 23th and 24th Instruction, there being such forms used by some, tho in a finer dress.

25th Instruction. Receiving whole Cargo by Commission, as Wine, Brandy, &c. He makes Cargo of such Goods Debtor to such a one, his account of such Goods, pieces so many received; and when you dispose of it for ready money, he makes Cash debtor to the Owner his account current, l. — for so much sold ready Cash to such a one: after, in another article, he makes such a one his account of Goods, debtor to Cargo of such Goods, pieces so many, sold to such a one, not mentioning in both the said accounts the sum, only the pieces, for to make both accounts answer for the quantity.

Reflection; In reflecting upon this Instruction; please to observe, that in the 22th Instruction, he advise, when you receive Goods for another man's account, to enter their particulars in the Waste-Book, Factory Book, or a new Book invented by him, (no doubt a very ingenious piece). Now here, besides using the aforesaid Books, or Stating; in one of them, the Goods received he states in the Leager, Cargo of such Goods, Debtor to such a one his account of Goods, not mentioning the sums in the said accounts: Here he multiplies accounts altogether superfluous, and keeps accounts in his Leager without sums, which is absur'd: If no sum to be stated in entering Goods, it may be demanded of him, for what such an account is Debtor to such an account for such a quantity of Goods? He must answer, (according to this method) It's for nothing. In his 26th and 27th Instructions, he prosecutes the said long-winded and unusual form. Not controverting his 28th, I proceed to his 29th Instruction.

29th Instruction; When your Factor advises you he hath sold Goods for ready money, he makes the said Factor his Account Currant Debtor, to such a Voyage or Cargo l. — for so many pieces or parcels sold, and when you draw upon the said Factor for the value of the said Goods, he makes Cash Debtor to such a one my Factor his account currant l. — received for the Goods which he sold for ready money.

Ref. On; Here he mistakes, or titles the account wrong; for when I serve one as Factor, if I keep an account upon time, and Currant for him. I title them his account upon Time, and his account currant, because his business in my hands Negotiated by me for his account upon time, and for money. So on the contrary, when one serves me as Factor, I title my account; in his hands, my account upon time, and my account currant, because its my business; here he can't distinguish betwixt *meum & tuum*, my account and his account. Now in case my Correspondent and I serve each other as Factors, that is, he sells Goods for my account for ready money, and I sell Goods for his account for ready money according to his 23th Instruction, I make Cash Debtor, and the said correspondent his account currant Creditor, and when I pay money for him, state his account currant Debtor.

Again, when my said Correspondent serves me as Factor, and sells Goods for my account for ready money, he will have it to be my Factor his account currant Debtor; and when I draw on him, he states my Factor his account currant creditor, in place of my account currant.

Here indeed his method is short; if in place of two accounts, he keeps but one, intermixing and confounding the accounts which belong to you in the hands of your Factor, and those belonging to your principal, whom you served as Factor, in your hands; by doing so, you cannot know, without great pains, and separating the Articles on the said account. (Thus confounded) belonging to each party, and what is the Neat ballance of your account in your Factor's hands for sale of your Goods, &c. nor the ballance due by you to your principal in your hands, for sale of his Goods, &c.

It's evident at last, he must separate the said Articles, before he can know the state of the said accounts, and therefore ought to be done at first, whereby confusion and future trouble may be prevented.

30th Instruction. *When the Factor advises he hath sold Goods at cash, or on time, (he says) you must make such a one (my Factor) my account upon time, debtor to such Voyage or Cargo. — and when my said Factor advises he hath received any debts, you must make his account current debtor to my account upon time.*

Reflection. Here he titles the account current wrong, calling it his account current, whereas it should be my account current, being business negotiated by my Factor for my account, upon time, and for money, as he acknowledges in this Instruction; yet by titling the accounts thus, my account upon time, that would seem to be my business in his hands; but saying his account current, would seem to be his business in my hands. I refer to what I have said on the 29th Instruction for the Readers further satisfaction concerning this.

I come now to reflect upon those two forms of company accounts used by this Author.

There are divers forms used and practised in keeping company accounts, some fancying one, some another form, but all Book-keepers agreeing in this, that the shortest form (using no improper or false statings) is the best. I learned about twelve forms of company accounts, but none of them so mean & despicable as those two practised by this Author. The first of which begins with the 31st Instruction, you having the management.

31st Instruction. *Goods received in company by half; You must, (says he) make goods or cargo in company with such a one, debtor to his account current l. — for your half of the goods he sent you in company with him.*

Reflection. Here he states the Goods only debtor for one half of their value, viz. to your Partner his account current, for your half, and gives no account Creditor for the other half; here's a creditor for the one half, but none for the other; viz. his partner's interest according to Invoice.

32nd Instruction. *When any of the said goods or cargo is sold for ready money, he makes Cash debtor to goods or cargo in company with such a one for your half of the money received, and for your partner's half, Cash debtor to such a one, his account current for his half of the said money.*

Reflection. Here he divides the money of the goods sold, and that before he hath sold all the cargo; for in the 33th Instruction, He is selling more upon time, and when the money is received, divides the same, as in the 32th Instruction. His partner's account here is creditor for what he advanced for you, and creditor also for his part of the sales.

But to reflect a little more largely on this form; observe first, according to his method of dividing the money received for the goods in company at the time of their sales, you must also have divided the charges expended by you at receiving them. What superfluous trouble this would be, (in case of many partners,) I leave all to judge that understand any thing of Book-keeping, or what belongs to business. Secondly, he forms no account in company for his partner his proper stock and interest in the said goods, besides what he advanced for your half; so that his partner has but one account, which he calls his partner his account current, which is creditor for what his said partner advanced for you, and what is due to him for his stock and profit. 3^{dly}, He makes no stating of his partners interest in the said goods till sold. 4^{thly}, He gives no instance how to state when you pay your partner what he advanced for you. 5^{thly}, He doth not inform if there were profit or loss, how to state it. 6^{thly}, As he does not pay his partner what he advanced for him. so he does not pay him his stock, nor shew how to state ~~it~~ in such cases. In short, he does not teach how to manage and close this account, such as it is; and what he does, is evidently both without form, and imperfect.

34th Instruction. *Goods sent in company by one third, one being intrusted for all (he says) you must make Voyage, Cargo, or goods to such a place in company by one third, with such and such a one of such a place debtor to goods general my account 1. — for my third part of the goods advanced by me, making likewise the said Cargo or Voyage debtor to the two other partners their account current distinctly for their shares; after that, make the said Cargo, Voyage or goods debtor to Cash for the charges you paid at the shipping, making after each partner his account current debtor to the said Cargo or Voyage, for their proportion of the stock and charges.*

Reflection.

Reflection. Observe, First he divides the charges ; 2^{dly}, that by making the Voyage debtor to each partner their account currant, for their parts, and afterwards the said accounts debtors to the voyage or cargo for their part interest, including charges, the said partners accounts are ballanced, except their part charges, which stand on the debits of said accounts, and the voyage or cargo account is ballanced, excepting your part interest, including charges ; so that the partners have credit for nothing, but stand debtor for their part charges. Having consider'd this jumbling of the partners accounts, let us consider the disposal of the goods.

I shall reflect upon the 35th and 37th Instructions or Rules joyntly, being concerning sale of the Goods in company.

35th. *When your Factor advises you he hath sold Goods for ready money, and lyeth in his hands, (he says) he that hath the management of the Society, must make the Factor his account currant debtor to each ones particular account of time for each ones share, and for your share debtor the said Voyage, Cargo, or Goods account.*

Reflection. 1st. He titles wrong the company's account in the Factor's hand, calling it his account currant, whereas its title should be our account currant in his hands, he acting for the company. 2^{dly}. After he has stated the Factor his account currant, (as he calls it) debtor to each ones particular account of time for each ones share of the Goods sold ; then he adds, *and for your share debtor the said Voyage, Cargo, or Goods account ;* this last stating, viz. *for your account,* (if not an error in Printing) is monstrous ignorance, and confusion ; for here he makes the Voyage Debtor for your share of the Goods sold in place of making it Creditor.

37th Instruction. *Upon advice the Factor hath sold Goods at trust, or upon time, he makes such a one our Factor our account upon time, Debtor to each Partner his particular account of time for his share, and for your share the said Factor our account of time Debtor to Voyage, Cargo, or Goods account.*

Reflection. 1st. In the 35th Instruction, he titles the partners particular accounts wrong, stating for the Goods sold for ready money the Factor his account currant, (as he calls it) Debtor to each partner his account of time for each partner's share, whereas it should be, each partner his account currant, as it's the Factor's account

current (the Goods being sold for ready money); for if he will keep such accounts, there must be an uniformity in the titles of the Factor's and Partner's account. In this 37th Instruction, when the Factor sells Goods at time, he makes *the Factor our account of time debtor to each Partner his account of time for his share*, which is proper (tho perhaps he does not know) according to this method he is groping after, as one in the dark. 2^{dly}. After he hath stated to the credit of his Partners their particular accounts their shares of the sold goods, then he makes *Voyage or Cargo Creditor for your share of the sold Goods*, which is proper and must be in this form (such as it is) and makes me have the charity to think the stating in the 35th Instruction is an error in the Printing, for there he makes the *Voyage Debtor for your share of the sold goods*, whereas it should have been Creditor, as here.

Then he proceeds in the said 37th Instruction, viz. *When the said Factor advises he hath received the money of the goods sold at time (he says) make the Factor his account current debtor to our account of time for the whole, then after give credit to each Partner for his share, saying, such one his particular account of time debtor to his account current* 1. — for his share of the money lying in such ones hand; as for your share, it remains in the Voyage.

Reflection. 1st. Here he titles the companys account in the Factor's hands wrong, calling it his account current, which should be titled our account current, as well as our account upon time, the one being the account of money in our Factor's hands, the other of the business negotiated by him for the company upon time. 2^{dly}. He gives credit to each Partner for his share of the money, as in the 36th Instruction. 3^{dly}. He forms no account in company for any of the Partners (wonderful) company accounts; in neither of which he forms one account under that title.

38th Instruction. He divides the Goods the Factor sends in return. Passing this, I come to the next Instruction.

39th Instruction. *What charges your Factor hath been at in his Voyage, his Commission or Wages, each one of the said Partners ought to bear their proportion. First, for your share, you must make Voyage or Cargo debtor to your Factor his account current (as he calls it); and for the other Partners distinctly, make each one his account current debtor*

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to the said Factor his account currant for his proportion of the said Charges.

Reflection. Here he divides the charges expended by the Factor and his Commission, making each Partner's account debtor for their parts, and Voyage debtor for your part. Observe, 1st, Charges expended upon Goods in company by the Factor and his Commission, diminishes the profit in company, or increases the loss, which if this Author had understood, he would not have been at so much trouble in dividing it, making each Partner debtor for their shares. 2^{dly}. What trouble will it be, dividing the value of the goods as they are sold, keeping (as he does) an account upon time, and currant, especially if the goods be sold in many parcels.

In short, any person acquainted in any measure with Business, or Book keeping, upon perusal of his forms of company accounts, (finding them to have so many statings and divisions) will be sensible that such forms are not practicable.

If any desire to know the short and proper forms of company accounts, I refer them to my Master, of whom I learn'd, he being yet in this Kingdom; my business here being only to reflect upon what this Author hath put in Print.

I desire all judicious persons to consider how incapable this Author is of Teaching, who himself makes false statings in proper accounts, and knows not the titles used and practised in Book keeping, as I have demonstrated in several particulars. If his ignorance had not been such, and so great as to appear in Print, I should not have thus exposed him.

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